

LFD Budget Analysis: DPHHS Human & Community Services Division

Human & Community Services Division Major Budget Highlights

- The executive proposes a total fund biennial increase of 0.8% primarily due to a requested \$6.4 million increase for benefits and claims
 - Most of the requested \$4.2 million biennial increase, totaling 95.4%, are federal funds

69010 - Department Of Public Health & Human Services 02-Human & Community Services

Program Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison | | | | |
|--------------------------------|------------------------------|---------------------------|--------------------|----------------------|
| Budget Item | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change | Biennium % Change |
| Personal Services | 64,808,214 | 64,249,714 | (558,500) | (0.86)% |
| Operating Expenses | 15,030,839 | 13,197,668 | (1,833,171) | (12.20)% |
| Equipment & Intangible Assets | 143,400 | 50,000 | (93,400) | (65.13)% |
| Grants | 21,743,518 | 23,246,398 | 1,502,880 | 6.91 % |
| Benefits & Claims | 456,197,057 | 462,615,738 | 6,418,681 | 1.41 % |
| Transfers | 5,333,720 | 4,242,220 | (1,091,500) | (20.46)% |
| Debt Service | 132,150 | 0 | (132,150) | (100.00)% |
| Total Expenditures | \$563,388,898 | \$567,601,738 | \$4,212,840 | 0.75 % |
| General Fund | 49,269,349 | 49,216,734 | (52,615) | (0.11)% |
| State/Other Special Rev. Funds | 3,548,180 | 3,795,303 | 247,123 | 6.96 % |
| Federal Spec. Rev. Funds | 510,571,369 | 514,589,701 | 4,018,332 | 0.79 % |
| Total Funds | \$563,388,898 | \$567,601,738 | \$4,212,840 | 0.75 % |
| Total Ongoing | \$563,388,898 | \$567,601,738 | \$4,212,840 | 0.75 % |
| Total OTO | \$0 | \$0 | \$0 | 0.00 % |

- In FY 2020 DPHHS transferred the Early Childhood Services Bureau to a new division, 25 Early Childhood & Family Support
- The reorganization included \$52.1 million in FY 2021 funding (base year) and 16.06 HB2 FTE
- 3 bureaus:
 - Public Assistance Bureau: (TANF, SNAP, CHIP, Medicaid eligibility)
 - Intergovernmental Human Services: (Weatherization, LIEAP, Community Services Block Grant, Emergency Solutions Grant (homelessness prevention))
 - Budget Bureau

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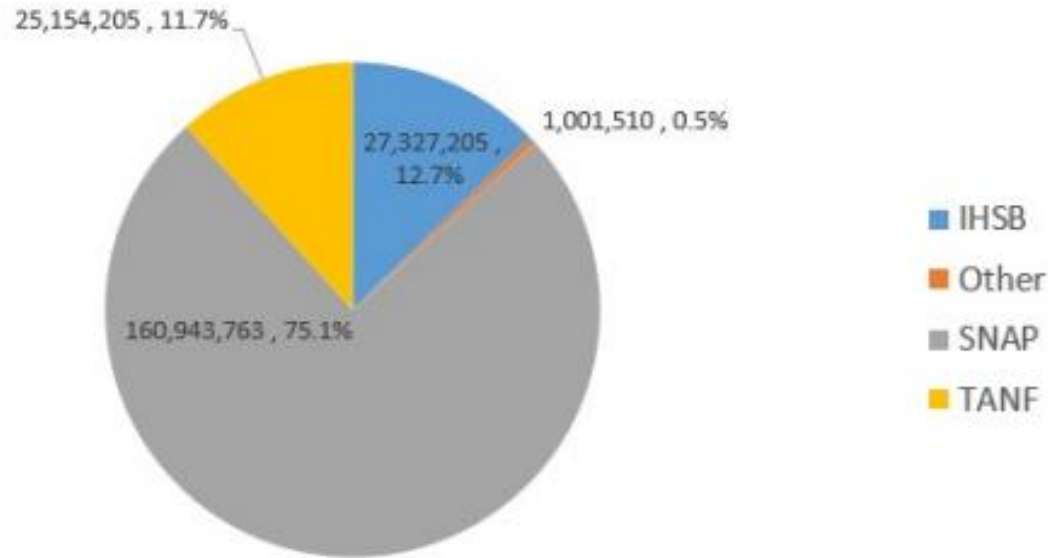
The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Budget Item | Actuals Fiscal 2020 | Approp. Fiscal 2020 | Approp. Fiscal 2021 | Request Fiscal 2022 | Request Fiscal 2023 |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| FTE | 0.00 | 492.50 | 492.50 | 492.50 | 492.50 |
| Personal Services | 30,333,715 | 32,100,689 | 32,707,525 | 31,901,799 | 32,347,915 |
| Operating Expenses | 7,224,091 | 8,429,940 | 6,600,899 | 6,598,361 | 6,599,307 |
| Equipment & Intangible Assets | 118,252 | 118,400 | 25,000 | 25,000 | 25,000 |
| Grants | 9,055,091 | 10,366,572 | 11,376,946 | 11,623,199 | 11,623,199 |
| Benefits & Claims | 205,371,594 | 225,466,059 | 230,730,998 | 231,307,869 | 231,307,869 |
| Transfers | 2,721,616 | 3,212,610 | 2,121,110 | 2,121,110 | 2,121,110 |
| Debt Service | 19,395 | 132,150 | 0 | 0 | 0 |
| Total Expenditures | \$254,843,754 | \$279,826,420 | \$283,562,478 | \$283,577,338 | \$284,024,400 |
| General Fund | 22,992,625 | 24,454,828 | 24,814,521 | 24,412,958 | 24,803,776 |
| State/Other Special Rev. Funds | 1,367,855 | 1,689,721 | 1,858,459 | 1,896,102 | 1,899,201 |
| Federal Spec. Rev. Funds | 230,483,274 | 253,681,871 | 256,889,498 | 257,268,278 | 257,321,423 |
| Total Funds | \$254,843,754 | \$279,826,420 | \$283,562,478 | \$283,577,338 | \$284,024,400 |
| Total Ongoing | \$254,843,754 | \$279,826,420 | \$283,562,478 | \$283,577,338 | \$284,024,400 |
| Total OTO | \$0 | \$0 | \$0 | \$0 | \$0 |

HCSD costs are driven by the benefits delivered by the division in conjunction with providers throughout the state and administrative costs associated with benefit provisions

- Personal services costs at HCSD are driven by the Office of Public Assistance (OPA) which operates 19 offices statewide
- None of the benefits and claims at HCSD are for Medicaid

FY 2020 actual HCSD benefits and grants expenditures totaled \$214.4 Million.

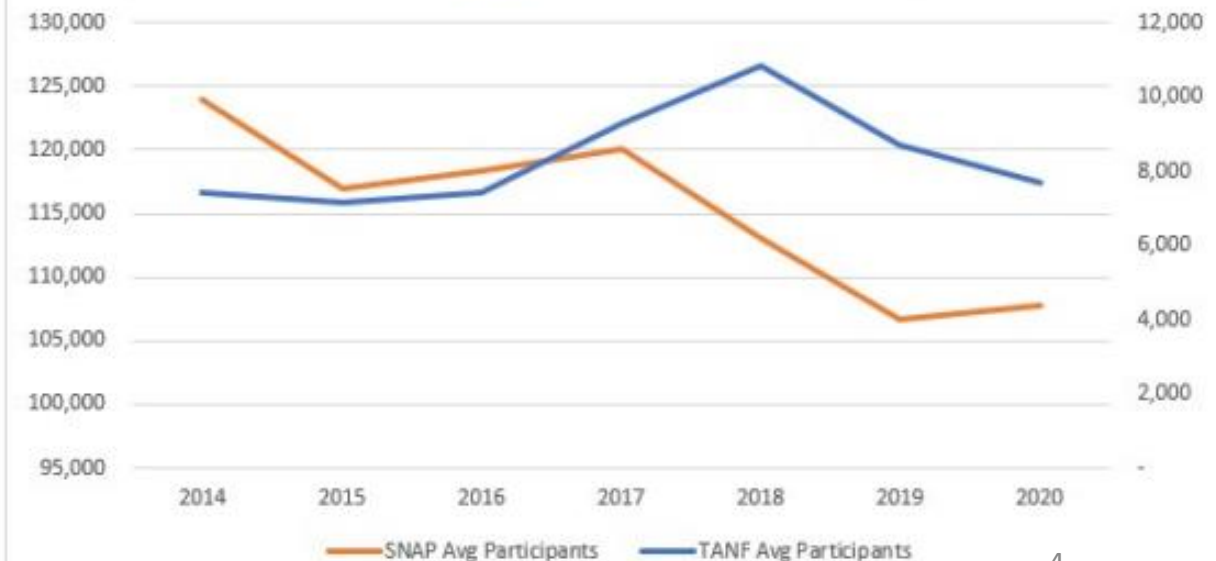


Significant changes to enrollment can have a significant impact on the HCSD budget

In FY 2020 the HCSD budget for Benefits & Claims, and Grants accounted for more than 84.1% of total expenditures

Over $\frac{3}{4}$ of which occur within the Supplemental Nutrition Assistance Program (SNAP)

Average annual enrollment in SNAP increased by 1.0% year over year in FY 2020 while TANF enrollment decreased by 11.3%.



| Department of Public Health & Human Services, 02-Human & Community Services | | | | | | |
|---|----------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funding by Source of Authority | | | | | | |
| Funds | HB2 Ongoing | HB2 OTO | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds |
| 01100 General Fund | 49,216,734 | 0 | 0 | 0 | 49,216,734 | 8.67 % |
| 02099 69010-VISTA-Community Cost Shr | 112,398 | 0 | 0 | 0 | 112,398 | 2.96 % |
| 02375 02 Indirect Activity Prog 02 | 2,874,337 | 0 | 0 | 0 | 2,874,337 | 75.73 % |
| 02515 School Lunch OPI/Warehouse | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02597 Healthy Montana Kids Plan | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02688 6901-TANF Overpayments | 130,000 | 0 | 0 | 0 | 130,000 | 3.43 % |
| 02772 Tobacco Hlth and Medicaid Init | 71,090 | 0 | 0 | 0 | 71,090 | 1.87 % |
| 02789 6901-CHIP/MCHA Tobacco Sett Fd | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02931 Food Stamp Recoupment Account | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 02974 Univ Low-Income Energy Assist | 607,478 | 0 | 0 | 0 | 607,478 | 16.01 % |
| State Special Total | \$3,795,303 | \$0 | \$0 | \$0 | \$3,795,303 | 0.67 % |
| 03135 HOPWA TriState HELP CFDA14.241 | 1,040,000 | 0 | 0 | 0 | 1,040,000 | 0.20 % |
| 03181 10.561 Food Stamp Perf. Bonus | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 03573 93.569 - CSBG Adm | 6,519,113 | 0 | 0 | 0 | 6,519,113 | 1.27 % |
| 03580 6901-93.778 - Med Adm 50% | 1,274,713 | 0 | 0 | 0 | 1,274,713 | 0.25 % |
| 03678 6901-Food Stamp Benefits | 345,133,644 | 0 | 0 | 0 | 345,133,644 | 67.07 % |
| 03679 6901-HOPWA CFDA#14-241 | 1,004,684 | 0 | 0 | 0 | 1,004,684 | 0.20 % |
| 03382 03 Indirect Activity Prog 02 | 37,478,452 | 0 | 0 | 0 | 37,478,452 | 7.28 % |
| 03426 CHIP Program Fed | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 03467 6901-Homeless Mgmt Info Systm | 107,556 | 0 | 0 | 0 | 107,556 | 0.02 % |
| 03519 93.045 - Aging Meals 100% | 118,572 | 0 | 0 | 0 | 118,572 | 0.02 % |
| 03544 10.561 - FS E & T - 50% | 433,684 | 0 | 0 | 0 | 433,684 | 0.08 % |
| 03545 10.561 - FS E & T - 100% | 516,734 | 0 | 0 | 0 | 516,734 | 0.10 % |
| 03546 10.561 - FS Adm - Fed Exp 50% | 1,717,351 | 0 | 0 | 0 | 1,717,351 | 0.33 % |
| 03547 10.568 - Emerg Food Assist 100 | 969,876 | 0 | 0 | 0 | 969,876 | 0.19 % |
| 03548 10.569 - Food Distr - Fed Exp | 5,317,507 | 0 | 0 | 0 | 5,317,507 | 1.03 % |
| 03550 14.231 - Emerg Shelter - HUD 5 | 1,400,766 | 0 | 0 | 0 | 1,400,766 | 0.27 % |
| 03552 81.042 - Weather Ben 100% | 5,409,256 | 0 | 0 | 0 | 5,409,256 | 1.05 % |
| 03553 Housing Preservation Grant | 90,200 | 0 | 0 | 0 | 90,200 | 0.02 % |
| 03572 93.568 - LIEAP Blk Grt Adm | 41,882,664 | 0 | 0 | 0 | 41,882,664 | 8.14 % |
| 03066 81.042 BPA | 995,470 | 0 | 0 | 0 | 995,470 | 0.19 % |
| 03072 69010-CNS-Grants-VISTA | 431,880 | 0 | 0 | 0 | 431,880 | 0.08 % |
| 03074 Aging - Nutrition Services HDM | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 03103 TANF Administration | 0 | 0 | 0 | 0 | 0 | 0.00 % |
| 03109 TANF Benefits | 60,823,652 | 0 | 0 | 0 | 60,823,652 | 11.82 % |
| 03965 CSFP | 1,351,169 | 0 | 0 | 0 | 1,351,169 | 0.26 % |
| 03974 Medicaid Exp HELP Act Admin | 572,758 | 0 | 0 | 0 | 572,758 | 0.11 % |
| Federal Special Total | \$514,589,701 | \$0 | \$0 | \$0 | \$514,589,701 | 90.66 % |
| Proprietary Total | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00 % |
| Total All Funds | \$567,601,738 | \$0 | \$0 | \$0 | \$567,601,738 | |

General fund at HCSD is used to support TANF maintenance of effort (MOE) requirements and as match for federal programs such as Medicaid and SNAP eligibility determinations

Just over 90.7% of the biennial request at HCSD is federal funds, the majority of which are for the SNAP program



| Budget Summary by Category | | | | | | | | |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item | -----General Fund----- | | | | -----Total Funds----- | | | |
| | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022 | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget | 24,814,521 | 24,814,521 | 49,629,042 | 100.84 % | 283,562,478 | 283,562,478 | 567,124,956 | 99.92 % |
| SWPL Adjustments | (40,942) | (10,745) | (51,687) | (0.10)% | (447,643) | (361,202) | (808,845) | (0.14)% |
| PL Adjustments | 0 | 0 | 0 | 0.00 % | 823,124 | 823,124 | 1,646,248 | 0.29 % |
| New Proposals | (360,621) | 0 | (360,621) | (0.73)% | (360,621) | 0 | (360,621) | (0.06)% |
| Total Budget | \$24,412,958 | \$24,803,776 | \$49,216,734 | | \$283,577,338 | \$284,024,400 | \$567,601,738 | |

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments | | | | | | | | | | |
|--|-----------------------|-------------------|------------------|--------------------|------------------|-----------------------|-------------------|------------------|--------------------|------------------|
| | -----Fiscal 2022----- | | | | | -----Fiscal 2023----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 1 - Personal Services | 0.00 | (40,551) | 37,699 | (442,253) | (445,105) | 0.00 | (10,499) | 40,777 | (389,888) | (359,610) |
| DP 3 - Inflation Deflation | 0.00 | (391) | (56) | (2,091) | (2,538) | 0.00 | (246) | (35) | (1,311) | (1,592) |
| DP 2002 - IHSB Federal Authority | 0.00 | 0 | 0 | 823,124 | 823,124 | 0.00 | 0 | 0 | 823,124 | 823,124 |
| Grand Total All Present Law Adjustments | 0.00 | (\$40,942) | \$37,643 | \$378,780 | \$375,481 | 0.00 | (\$10,745) | \$40,742 | \$431,925 | \$461,922 |

**Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

New Proposals

The New Proposals table shows new changes to spending

| New Proposals | | | | | | | | | | |
|--|-----------------------|--------------------|------------------|--------------------|--------------------|-----------------------|-----------------|------------------|--------------------|----------------|
| | -----Fiscal 2022----- | | | | | -----Fiscal 2023----- | | | | |
| | FTE | General Fund | State Special | Federal Special | Total Funds | FTE | General Fund | State Special | Federal Special | Total Funds |
| DP 5555 - Reduce GF Budget for State Share Holiday | 0.00 | (360,621) | 0 | 0 | (360,621) | 0.00 | 0 | 0 | 0 | 0 |
| Total | 0.00 | (\$360,621) | \$0 | \$0 | (\$360,621) | 0.00 | \$0 | \$0 | \$0 | \$0 |

**Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).